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MINISTRY OF HOME AFFAIRS **NOTIFICATION**

New Delhi-2, the 15th May 1957

S.R.O. 1641-A.—The following draft of rules, which the Central Government proposes to make in exercise of the powers conferred by sections 54 and 56 of the Territorial Councils Act, 1956 (103 of 1956), is published as required by sub-section (1) of the said section 54 for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 31st May, 1957.

2. Any objection or suggestion which may be received from any person with respect to the said draft before the date so specified will be considered by the Central Government and may be addressed to the Secretary to the Government of India in the Ministry of Home Affairs, New Delhi.

THE TERRITORIAL COUNCILS RULES, 1957 **PART I—PRELIMINARY**

1. (1) These rules may be called the Territorial Councils Rules, 1957.

(2) They shall come into force at once.

2. In these rules, unless the context otherwise requires,—

- (a) "Act" means the Territorial Councils Act, 1956;
- (b) "Administrator" has the same meaning as in the Act;
- (c) "Chairman" means the Chairman of a Council;
- (d) "Council" means a Territorial Council constituted under section 3 of the Act;
- (e) "dismiss" means to remove permanently from a substantive appointment for misconduct or incompetence;
- (f) "prescribed form" means a form prescribed by order of the Central Government;
- (g) "Secretary" means the Chief Executive Officer functioning as Secretary of the Council in accordance with rule 14.

PART II—CONDUCT OF BUSINESS

CHAPTER I—*Chairman and Vice-Chairman*

3. Election of Chairman by the Council.—(1) The election of a Chairman shall be held on such date as the Administrator may fix and the Secretary shall send to every member notice of this date.

(2) Before the election of a Chairman the Administrator shall appoint a member of the Council who does not intend to contest the election to preside at the meeting.

4. Election of Vice-Chairman by the Council.—The election of a Vice-Chairman shall be held on such date as the Chairman may fix and the Secretary shall send to every member notice of this date.

5. Panel of Deputy Chairman.—(1) At the commencement of the Council or from time to time, as the case may be, the Chairman shall nominate from amongst members of the Council a panel of not more than two Deputy Chairman, any one of whom may preside over the Council in the absence of the Chairman and Vice-Chairman, when so requested by the Chairman or, in his absence, by the Vice-Chairman.

(2) A Deputy Chairman nominated under sub-rule (1) shall hold office until a new panel of Deputy Chairman is nominated.

6. Vacation and resignation of, and removal from, the office of Chairman.—A member holding office as Chairman—

- (a) shall, unless he has been nominated under proviso to sub-section (1) of section 22 of the Act vacate his office if he ceases to be a member of the Council;
- (b) may at any time, by writing under his hand addressed to the Administrator, resign his office; and
- (c) may be removed from his office by a resolution of the Council passed in accordance with sub-sections (2) and (3) of section 22 of the Act.

7. Delivery of notice for moving a resolution for the removal of Chairman.—A notice in writing of the intention to move a resolution for the removal of a Chairman from his office referred to in sub-section (2) of section 22 of the Act shall be delivered to the Secretary to the Administrator in charge of the work relating to the Council, by one of the signatories to the notice, in person.

8. Vacation and resignation of, and removal from, the office of Vice-Chairman.—A member holding office as Vice-Chairman of a Council—

- (a) shall vacate his office if he ceases to be a member of the Council;
- (b) may at any time, by writing under his hand addressed to the Chairman and delivered to the Secretary resign his office; and
- (c) may be removed from his office by a resolution of the Council passed by a majority of all the then members of the Council;

Provided that no resolution for the purpose of clause (c) shall be moved unless at least fourteen days notice has been given of the intention to move the resolution.

9. Power of the Vice-Chairman or other person to perform the duties of the office of, or to act as, Chairman.—(1) While the office of Chairman is vacant, the duties of the office shall be performed by the Vice-Chairman or, if the office of the Vice-Chairman is also vacant, by such member of the Council as the Administrator may appoint for the purpose.

(2) During the absence of the Chairman from any meeting of the Council the Vice-Chairman or, if he is also absent, one of the Deputy Chairmen, shall act as Chairman in accordance with the provisions of rule 5.

10. The Chairman or Vice-Chairman not to preside while a resolution for his removal from office is under consideration.—(1) At any meeting of the Council, while any resolution for the removal of the Chairman from his office is under consideration, the Chairman, or while any resolution for the removal of the Vice-Chairman from his office is under consideration, the Vice-Chairman, shall not, though he is present, preside, and the provisions of sub-rule (2) of rule 9 shall apply in relation to every such meeting as they apply in relation to a meeting from which the Chairman, or as the case may be, the Vice-Chairman, is absent.

(2) The Chairman shall have the right to speak in, and otherwise to take part in the proceedings of, the Council while any resolution for his removal from office is under consideration in the Council and shall be entitled to vote only in the first instance on such resolution or on any other matter during such proceedings.

CHAPTER II—*Members of the Council*

11. Oath or affirmation by members.—Every member of a Council shall make and subscribe an oath or affirmation under section 23 of the Act, in the following form, that is to say—"I, A.B., having been elected (or nominated) a member of the Territorial Council, do swear in the name of God solemnly affirm that I will bear true faith and allegiance to the Constitution of India as by law established and that I will faithfully discharge the duty upon which I am about to enter".

12. Voting in Council, power of Council to act notwithstanding vacancies etc.—(1) Save as otherwise provided in the Act and these Rules, all questions at any meeting of the Council shall be determined by a majority of votes of the members present and voting the Chairman or the person acting as Chairman having a second or casting vote when there is an equality of votes.

(2) A Council shall have power to act notwithstanding any vacancy in the membership thereof, and any proceedings in a Council shall be valid notwithstanding that it is discovered subsequently that some person who was not entitled so to do sat or voted or otherwise took part in the proceedings.

13. Penalty for sitting and voting before making oath or affirmation under section 23 or when not qualified or when disqualified.—If a person sits or votes as a member of a Council before he has complied with the provisions of rule 11 or when he knows that he is not qualified or that he is disqualified for membership thereof, or that he is prohibited from so doing by the provisions of any law made by

Parliament, he shall be punishable with a fine which may extend to one hundred rupees.

CHAPTER III—General Provisions

14. Secretary of the Council.—The Chief Executive Officer shall be ex-officio Secretary of the Council.

15. Matters for discussion.—(1) No matter shall be included in the agenda for any meeting of a Council nor be discussed in any such meeting, which is not connected with the functions and duties of the Council as prescribed by the Act, and it shall be the duty of the Chairman, or of the member actually presiding, to disallow the inclusion in the agenda and to refuse to permit at a meeting the discussion of any such matter:

Provided that the Chairman may in his discretion permit an exception to this rule, if the discussion of such matter appears to him to be in the public interest and not in any way likely to impede the administration, or to promote or encourage lawlessness, or to cause communal discord, or to be for any other reason undesirable.

(2) Any member, wishing to bring any subject before the Council shall send his proposal to the Secretary, who shall submit it to the Chairman for information. The Chairman will send the proposal to the Council except in special cases in which he may think it undesirable, when he will record his reasons in writing for refusing to do so.

16. Reconsideration by Council.—Any subject which the Council has disposed of by a resolution may only be reconsidered by the Council if it is referred—

- (a) on the motion of the Chairman; or
- (b) in compliance with the suggestion of the Administrator; or
- (c) on the application of the person aggrieved,

provided such application is made within three months of the service of the resolution complained of and the Chairman's consent to reconsideration is obtained.

17. Members to be present in person.—No member shall be represented at any meeting by a proxy.

18. Procedure at meetings.—The following procedure shall be followed at meetings:—

(a) The Chairman shall regulate the course of all business to be brought forward.

(b) Any member may at any time during the meeting of a Council submit a point of order for the decision of the Chairman but in doing so shall confine himself to stating the point. The Chairman shall decide all points of order which may arise or be referred to him. The Chairman may consult the wishes of the Council if he so desires; his decision shall be final.

(c) Every motion proposed shall be seconded before it is discussed.

(d) A member desiring to make any speech or observation on any matter under discussion in the meeting shall speak from his place, shall rise when he speaks, and shall address the Chairman.

(e) A member shall stand when addressing a meeting. If at any time the Chairman speaks, the member speaking shall resume his seat.

(f) No member shall speak more than once on any matter but the proposer of a resolution may speak in conclusion also after hearing all others who wish to speak.

(g) All questions from one member to another, relating to the business of the meeting, shall be put through the Chairman.

(h) No proceeding, if opposed, shall be entered as passed until it has been put to the vote. It shall not be necessary to record the names of the members voting, but any member shall be entitled to have his name recorded if he so desires.

(i) Amendments, if duly proposed and seconded, shall first be put to the vote. If rejected, the original motion shall then be put to the vote.

(j) When the discussion has been closed by the Chairman, he or the Secretary acting under his orders, shall proceed to take the votes.

(k) Written speeches may not be read without the permission of the Chairman.

(l) The proceedings of every meeting shall be confirmed at the succeeding meeting.

(m) The members shall sit in such order as the Chairman may determine.

(n) The matter of every speech shall be strictly relevant to the matter under discussion before the meeting. A member while speaking shall not—

(i) refer to any matter or fact on which a judicial decision is pending;

(ii) make a personal charge against a member or officer or other employee of the Government or the Council;

(iii) make use of offensive expression regarding the Central or any State legislature or any public institution;

(iv) reflect upon the conduct of the President or any Governor or their ministers, or Administrator, or any court of law in exercise of its judicial functions;

(v) utter treasonable, seditious, or defamable words, or

(vi) use his right of speech for the purpose of wilfully and persistently obstructing the business of the Council.

(o) The Chairman after having called the attention of the meeting to the conduct of a member who persists in irrelevance or in tedious repetition either of his own arguments or of the arguments used by other member in debate, may direct him to discontinue his speech, and he shall discontinue it forthwith.

(p) (i) The Chairman shall preserve order have all powers necessary for the purpose of enforcing his decision on all points of order.

(ii) The Chairman may direct any member whose conduct is, in his opinion grossly disorderly to withdraw immediately from a meeting, and any member so ordered to withdraw shall do so forthwith and absent himself during the remainder of the days' meeting.

(iii) The Chairman may in the case of grave disorder arising in the meeting suspend any sitting for a time to be named by him.

19. Admission to meetings of the Council.—The admission to the meeting hall of—

(i) visitors to the visitors' gallery and

(ii) representatives of the Press to the press gallery,

during the meeting hours shall be regulated in accordance with the rules made by the Council.

20. Publication of minutes.—An abstract of the minutes of each meeting of the Council shall be published in accordance with the rules made by the Council.

21. Seal of the Council.—The common seal of the Council shall remain in the custody of the Chief Executive Officer and shall be used on all notices issued under the Act and the bye-laws, rules, regulations, directions and orders issued thereunder, and on all contracts, proclamations, copies of documents and any other important document requiring the same.

CHAPTER IV—*Committees of the Council*

22. Finance Committee.—The Council shall, as soon as may be after its establishment, appoint a Finance Committee consisting of ten members including the Chairman who shall be the Chairman of the Committee.

23. Functions of the Finance Committee.—The following matters shall be submitted to the Finance Committee:—

- (a) all matters connected with the framing and revision of the budget;
- (b) all matters connected with the imposition of taxes, rates and fees;
- (c) all matters connected with the compilation and alteration of bye-laws;
- (d) all matters connected with the obtaining and repayment of loans;
- (e) all matters connected with the issue of directions to the other committees of the Council; and
- (f) all other matters which the Chairman may direct.

24. Standing Committee.—In addition to the Finance Committee the Council may, with the previous sanction of the Administrator, appoint as many standing committees as it thinks fit for the exercise of any power or discharging any function of the Council. The Chairman shall be ex-officio chairman of every such Standing Committee.

25. Term of Office of members of Committees.—The term of office of a member of the Finance Committee, or any standing committee, shall be such as may elapse between the meeting of the Council at which he was appointed a member of the committee and the meeting to be held in the same month of the next following year for the purpose of appointing members of the committee.

26. Filling of vacancies.—When the seat of a member of the Finance Committee or any standing committee falls vacant, it shall be filled by the Council at a meeting as soon as may be after the occurrence of the vacancy.

27. Arrangement in Chairman's absence.—If, when a meeting of any Committee is held the Chairman is absent, the members present shall elect, one of their members as the Chairman of the meeting.

28. Matters to be first considered by concerned Committee.—Matters within the cognizance of the Finance Committee or any standing committee shall ordinarily not be brought up for discussion in the Council until disposed of by the Committee concerned.

29. Formation of *ad hoc* Committees.—(1) The Council may appoint an *ad hoc* committee for enquiring into, reporting or advising upon any matter which the Council may refer to it and may fix the duration of such a committee.

(2) Any such committee may include persons who are not members of the Council but the number of such persons shall not exceed one-third of its total membership.

30. Rules of business of Committees.—(1) The Finance Committee or any standing committee or *ad hoc* Committee may draw up its own rules of business. All such rules shall be subject to confirmation by the Council. Quorum in all cases shall be three.

(2) So far as no provision has been made under sub-rule (1), the Chairman of the Committee shall, as far as possible, be guided in the conduct of the business by the rules of procedure laid down for the meeting of the Council.

(3) Any resolution passed by the Finance Committee, a standing committee or an *ad hoc* committee shall be recorded in a book kept for this purpose and shall be signed by the Chairman of that Committee.

PART III—BUDGET ESTIMATES

31. Preparation of Budget Estimates.—The Chief Executive Officer shall prepare an estimate of income and expenditure of the Council for the next financial year (here-in-after called the budget), in consultation with the principal officers in charge of engineering, health services and education in the prescribed form and in accordance with the instructions of the Central Government.

32. Consideration by Finance Committee.—(1) The Chief Executive Officer shall send a copy of the budget as framed by him to all the members of the Council and 14 days after circulation shall lay it before the Finance Committee.

(2) The Finance Committee after making any changes in the figures submitted to it which it may deem necessary shall allocate the sum available for expenditure in excess of the estimate of the next year in such manner as it may deem fit and the budget embodying the decisions of the Finance Committee shall then be prepared; original works which the Finance Committee propose should be undertaken in the coming year being entered separately.

33. Consideration by the Council.—(1) The budget as amended by the Finance Committee shall be laid before the Council not later than the 31st January in each year by the Chairman of the Committee who, after explaining the estimates of income and expenditure and the manner in which the sums available for expenditure over and above the sum required to meet sanctioned charges has been allocated, shall move separate resolutions for grants of the amounts required for expenditure in each department, whereupon any member may move an amendment to any such resolution for the purpose of reducing or totally refusing the amount of the grant demanded for any department, but no amendment shall be moved at this stage for the purpose of increasing the grant demanded for any department.

(2) When all resolutions and amendments moved under the provisions of sub-rule (1) have been decided, if any surplus is available for expenditure owing to reductions having been made in the amount of the grant demanded for any department, any member may move a resolution for the allocation of the whole or part of such surplus to any department of which the grant originally demanded has not been reduced; and, when all such resolutions have been decided, the Chairman shall move a resolution that the budget as modified by the resolutions of the Council shall be passed.

(3) Nothing contained in this rule shall prevent the Council from having a general discussion of the budget before demands for grants are moved.

34. Finalisation of Budget proposals.—(1) By the 15th of February each year the Council shall consider the budget and by the 1st of March cause a copy of the same to be sent to the Administrator.

(2) The Administrator may on or before the fifteenth March, return the budget to the Council for amendment.

(3) In case the budget is received back from the Administrator for amendment, the same shall be laid before the Council for consideration of the proposed amendment. Decision on such amendment shall be taken and reported to the Administrator before the 31st of March.

(4) The Chief Executive Officer shall forward a copy of the budget as finally adopted by the Council to the principal officers in charge of engineering, health services and education.

35. Expenditure in excess of budget provision.—(1) Expenditure in excess of the amount provided in the budget of the council under any head subordinate to a departmental head may be incurred with the sanction of the Council, if the necessary funds can be provided by transfer from any other head subordinate to the same departmental head.

(2) Save as provided in sub-rule (1) no expenditure under any head in excess of the amount provided in the budget of the Council under that head shall be incurred except with the sanction of the Administrator and such sanction shall not be given unless the Council has by resolution approved.

(a) the transfer of sufficient funds from the grant under the head "reserve for unforeseen charges" or the grant under some other departmental head; or

(b) the revision of the estimate of income under the departmental head concerned or of the surplus income available for allocation to departments.

(3) When it is found after the close of the financial year that the budget provision under any departmental head has been exceeded the excess may be regularised with the sanction of the Administrator.

PART IV—LANGUAGE FOR TRANSACTION OF BUSINESS

33. **Language to be used.**—Business in the Council and in any of its Committees shall be transacted in the official language of the Union Territory or in Hindi or in English.

Provided that the Chairman or the person acting as such may permit any member who cannot adequately express himself in any of the languages aforesaid to address the Council or Committee in his mother tongue.

PART V—TRANSFER OF PROPERTY

37. **Previous sanction of Central Government required to sale, etc. of immovable property.**—No immovable property vested in the Council shall, except with the previous approval of the Administrator, and in such manner and on such terms and conditions as the Administrator may approve, be transferred by the Council by way of sale, mortgage, charge of exchange or otherwise then by way of lease without a premium.

38. **Conditions on which immovable property may be leased.**—A lease of immovable property other than roadside lands vested in the Council may be made by the Council, without a premium, on condition—

(a) that a reasonable annual rent be reserved and made payable during the whole of the term of the lease, and

(b) that the lease or agreement for the lease be not made for any term without the previous sanction of the council at a meeting, or for any term exceeding five years without the previous approval of the Administrator.

39. **Permission for use roadside lands.**—Permission for the use of roadside land vested in the Council which is not immediately required for the purposes of the road may be granted by it for a period not exceeding one year at a time against payment of such fees as may be determined by the Council.

40. **Transfer of movable property.**—Any movable property vested in the Council may be transferred by the Council in any way and

on any terms which the Council may, by resolution at a meeting, determine to be expedient and reasonable:

Provided that such property not exceeding fifty rupees in value may be so transferred by the Chief Executive Officer.

41. Instrument of transfer.—Every transfer or lease of immovable property vested in the Council shall be made by an instrument under the common seal, signed by the Chairman and by the Chief Executive Officer, and where these rules require the previous sanction of the Administrator, the fact that the transfer is signed with such approval shall be clearly expressed.

PART V—CONTRACTS

42. Contracts.—(a) Every contract or agreement by or on behalf of the Council shall be made by the Chief Executive Officer and shall be signed by him and by the chairman.

(b) No such contract for any purpose which in accordance with any provision of these rules the Chief Executive Officer may not carry out without the approval or sanction of some other authority shall be made by him until and unless such approval or sanction has been duly obtained.

(c) No contract which will involve an expenditure exceeding five hundred rupees shall be made by the Chief Executive Officer unless the same is previously approved by the Council.

(d) No contract for acquisition of immovable property shall be valid unless such contract has been approved by the Council.

(e) No contract which is not made in accordance with the provisions of these rules shall be binding on the Council.

PART VI—OFFICERS AND STAFF OF THE COUNCIL

43. Powers to create posts.—The power to create posts of officers and other employees referred to in sub-section (5) of section 32 of the Act shall vest in the Council.

44. Powers to make appointments.—Subject to the provisions of section 32 of the Act, the power of appointing officers and staff, whether temporary or permanent, to posts carrying a minimum monthly salary (exclusive of allowances) of more than one hundred rupees shall vest in the Council, and in respect of the remaining posts in the Chief Executive Officer.

45. Emoluments.—(a) The chief executive officer appointed under sub-section (1) of section 32 of the Act shall be paid such monthly salary and such allowances as may be fixed by the Administrator.

(b) The principal officers appointed under the provisions of sub-section (3) of section 32 of the Act shall be paid such monthly salary and such allowances as may be determined by the Council with the approval of the Administrator.

(c) The officers and other employees appointed by the Council under the provisions of sub-section (5) of section 32 of the Act shall be paid such monthly salary and such allowances as may be determined by the Council.

46. Chief Executive Officer and officers of the Council.—(a) The Chief Executive Officer shall generally superintend the offices of the Council and shall so far as may conveniently be possible conduct the correspondence of the Council under the control of the Chairman.

(b) He shall assist the Chairman in any matter connected with the business of the Council and whenever required to do so, shall also assist and advise members of the Council in connection with the business of the Council. He shall be present at all meetings of the Council and the Finance Committee.

(c) He shall also be responsible to see that—

- (i) all orders of the Council are duly carried out;
- (ii) no money is expended without proper sanction;
- (iii) all moneys are paid to the right parties;
- (iv) registers and records are properly kept up; and
- (v) the income from all sources is duly realised and credited in the accounts.

(2) The Council shall by a resolution passed at a meeting specially convened for that purpose divide its work into different departments and assign one or more departments to the principal officers in charge of engineering, health services and education and other officers of the Council.

47. Punishment.—The authority entitled to appoint may impose any of the following penalties on any employee of the Council:

- (i) Censure;
- (ii) withholding of increments or promotion;
- (iii) recovery from pay of the whole or part of any pecuniary loss caused by negligence or breach of orders;
- (iv) reduction to a lower Service, grade or post, or to a lower time-scale, or to a lower stage in a time-scale;
- (v) removal from service which shall not be a disqualification for future employment;
- (vi) dismissal from service which shall ordinarily be a disqualification for future employment.

48. Dismissal or Removal.—(1) No person appointed to any post under the Council shall be dismissed or removed until he has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him:

Provided that this sub-rule shall not apply—

- (a) where a person is dismissed or removed on the ground of conduct which had led to his conviction on a criminal charge; or
- (b) where an authority empowered to dismiss or remove a person is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to give that person an opportunity of showing cause.

(2) If any question arises whether it is reasonably practicable to give any person an opportunity of showing cause under sub-rule (1), the decision thereon of the authority empowered to dismiss or remove such person shall be final.

49. Conduct of employees.—All officers and other employees of the Council shall carry out all orders issued to them by the Chief Executive Officer and by those under whom they work.

50. Officers or employees not to undertake other work.—No officer or other employee of the Council shall undertake any work unconnected with his duties except with the permission of the Council.

51. Conditions of service of officers and other employees.—The Fundamental Rules, the Supplementary Rules and other rules framed by the Central Government with reference to Fundamental Rules governing the conditions of service for Government servants shall apply to all officers and other employees of the Council in respect of all matters or any of them relating to their leave, pay, leave allowance, subsistence grant and similar other matters, except where these Rules provide otherwise.

52. Leave.—The power to grant leave may be exercised by the authority specified below in column 3 against each item:

S. No.	Classification of officers and other employees	Authority empowered to grant leave
1	2	3
1.	Regular leave to the Chief Executive Officer.	Administrator.
2.	Casual leave to the Chief Executive Officer.	Chairman.
3.	Regular leave not exceeding four months to principal Officers in charge of engineering health services and education.	Chairman.
4.	Regular leave exceeding four months to principal Officers in charge of engineering, health services and education.	Council.
5.	Officers and other employees drawing a monthly salary of more than Rs. 100/-	Chairman.
6.	Officers and other employees drawing a monthly salary of Rs. 100/- or less	Chief Executive Officer.

53. Leave arrangements.—(a) In the case of regular leave granted to the Chief Executive Officer a substitute shall be appointed by the Administrator.

(b) In the case of leave granted to principal officers in charge of engineering, health services or education a substitute shall be appointed by the Council provided that the total leave does not exceed four months. In other cases approval of the Administrator shall be obtained.

(c) In case of other Officers and employees the authority granting leave may also sanction any arrangement necessary for carrying out the duties of the Officer or other employee proceeding on leave.

54. Appeal.—Any officer or other employee of the Council may appeal against an order imposing upon him any of the penalties specified in rule 47. Such appeal shall be submitted to the Chief Executive Officer of the Council within 30 days of its communication and the Chief Executive Officer shall send the case with such remarks as he may consider suitable to the Council.

55. Bar against employment of dismissed Govt. employees, etc.— No person who has been dismissed from the service of Government or local body shall be appointed as an officer or other employee of a Council without the previous sanction of the Administrator.

56. Provident Fund.—(1) Every permanent officer or other employee of the Council other than an officer on deputation from the Government, appointed or promoted on or after the date of the Council's resolution to establish and maintain a provident fund shall subscribe to such provident fund at the rate of 8 Naya Paisa in each rupee of his salary and any officer or other employee appointed or promoted to such an office before the date of such resolution may subscribe to such fund if the Council so permits.

(2) Every subscription to a provident fund shall be recovered by means of a deduction of the amount of such subscription from each salary bill of the subscriber:

Provided that in calculating the deduction to be so made fraction of a rupee of salary shall be disregarded.

(3) The Council shall contribute to the provident fund of each subscriber an amount equal to the amount of his subscription:

Provided that if the subscriber who is required or permitted to subscribe to the provident fund resigns within five years of the commencement of his service, except on account of illness or any other cause which the Council may determine to be a sufficient cause, or has been dismissed from the service of the Council, the Council may deduct from the sum standing to his credit in the provident fund the whole or any part of the contributions made by it to his provident fund and the interest thereon.

57. Special Contribution.—(a) If a subscriber who has been in continuous service of the Council for not less than five years ceases to be in such service on—

- (i) completion of 15 years' service;
- (ii) attainment of the age of superannuation;
- (iii) retirement or removal from service due to declaration by a competent medical authority that he is unfit for further service on account of permanent physical or mental incapacity;
- (iv) abolition of his appointment on account of reduction or re-organisation of establishment;
- (v) retirement after having completed eight years' service but not fifteen years' service, on account of certified ill-health with the consent and approval of the Council; or
- (vi) death while in the service of the Council; a special contribution calculated in the manner prescribed in clause (b) below may be credited to the subscribers' account.

(b) The special contribution shall be equal to half a month's pay for each completed year of service subject to a maximum of 16 months' pay or Rs. 15,000, whichever is less.

58. Terms and conditions of Government servants transferred to a Council.—(1) The terms and conditions of service of a Government servant transferred to the Council shall not be varied to his disadvantage without the previous approval of the Central Government.

(2) Where any disciplinary or other action is required to be taken against any such Government servant, the Council shall make a reference to the Administrator who shall take further action in accordance with the service rules applicable in each case.

PART VII—ACCOUNTS

59. General Cash-book.—(1) All moneys received or spent by or on behalf of the Council shall without any reservation be brought to account in the General Cash Book to be maintained in the prescribed form under the direct supervision of the Chief Executive Officer, sums received or disbursed at the Council's office being entered at the time when the payment is received or made, and receipts and payments made at subordinate offices being entered when intimation thereof is received at the Council's office.

(2) The General Cash Book shall each day be checked, item by item, closed, balanced and signed by an officer, authorised by the Chief Executive Officer. At the end of each month it shall be compared and agreed with the treasury pass-book, every item of receipt and expenditure in which shall be checked with entries in the General Cash-Book.

60. Classified abstract.—For the purpose of classifying the income and expenditure of the Council a classified abstract shall be maintained in the prescribed form.

61. Monthly account.—At the end of each month a monthly account in the prescribed form shall be drawn up and after signature by the Chief Executive Officer and the Chairman shall be laid before the Council and if the Administrator so directs a copy shall be forwarded to him for information.

62. Annual account.—At the end of the year an annual account in the prescribed form shall be prepared and after signature by the Chief Executive Officer and the Chairman shall be laid before the Council for approval. A copy of the annual account as approved by the Council shall be forwarded to the Administrator before the first of August each year.

63. Register of Government grants.—The Council shall maintain a register of Government grants made under section 37 of the Act in the prescribed form in which shall be entered at the time of receipt details of every Government grant received and every payment made against each grant and as soon as may be after the end of the year the Council shall cause a statement to be compiled in the prescribed form and forward it to the Administrator.

64. Register of Contracts & orders.—Registers of contracts, works and supply orders shall be maintained in the prescribed forms.

65. Issue of receipts.—(1) Except as otherwise provided in these rules whenever money is received by any officer or other employee

for credit to the Council Fund a receipt in the prescribed form shall be given to the person making the payment.

(2) The Council shall, from time to time, designate by resolution the persons by whom receipts in the prescribed form may be signed on behalf of the Council.

(3) Receipts shall be written with indelible pencil in duplicate by means of double sided carbon paper, the carbon copy being retained by the official issuing receipt and the original handed over to the person making the payment.

66. Endorsement of cheques drawn on treasury.—When payment is received by means of a cheque drawn on the treasury, the cheque shall be endorsed by the official of the Council in whose favour it is drawn with the words "Received payment by transfer credit to the Council Fund."

67. Remittance to treasury.—At the end of each day or if the treasury is enclosed early at the first subsequent day on which it is open the money received during the day at the office of the Council shall be remitted to the treasury with a chalan in the prescribed form, particulars of which shall be entered in the General Cash-Book and when the duplicate foil of the chalan is received back from the treasury, the entries in the General Cash-Book shall be checked with such foil and initialled by the Chief Executive Officer or a person appointed by him in this behalf and foils shall be used as voucher for the remittance and shall be filed in the guard file.

68. Assessment & collection Registers.—(1) If a tax is levied on professions, trades, callings and employments under section 33 of the Act an assessment register and a demand and collection register shall be maintained in the prescribed forms.

(2) In case of levy of tolls on bridges the Council shall establish toll bars at the points of entry on the bridges. The toll shall be collected by means of tickets in the prescribed form.

(3) A tax collection progress statement shall be prepared and laid before the Council once a quarter in the prescribed form.

69. Register of immovable property.—(1) The Council shall maintain a register of immovable property in the prescribed form in which shall be entered details of all immovable property of the Council, and also a Rent Demand and Collection Register in the prescribed form.

70. Receipt & tickets.—Fees leviable under section 35 of the Act may be collected by receipts issued in the prescribed form or by means of tickets in the prescribed form as the Chief Executive Officer may determine.

71. Restrictions on payments from Council Fund.—No payment shall be made from the Council Fund except in the manner provided in these rules and in particular no payment shall be made out of cash received for credit to the Council Fund and no cheque shall be drawn except for immediate disbursement or to recoupe a permanent advance.

72. No payment without proper sanction.—No payment shall be made except on the written order of the Chief Executive Officer who shall not make such an order until he has satisfied himself that the budget allotment under the head concerned will not thereby be exceeded and unless the sanction of the Council exists for the charge.

73. Payments to be by cheque etc.—(1) All sums of less than rupees twenty payable from the Council Fund shall ordinarily be paid from permanent advances of the Chief Executive Officer or other officer concerned; sums of rupees twenty and over shall ordinarily be paid by cheque.

(2) When a payment is to be made from a permanent advance, a payment order shall be made by the officer holding the advance on the sub-voucher relating to the charge by means of a rubber stamp in the prescribed form the amount of the payment and the head of account chargeable being inserted in ink.

(3) When a payment order has been made under sub-rule (2), the amount of the charge shall be paid to the payee whose receipt shall at once be taken; the sub-voucher shall then be stamped with a rubber stamp in the prescribed form, and details of the payment shall be entered on the expenditure side of a permanent advance account in the prescribed form which shall be maintained by every officer holding a permanent advance.

(4) When the balance of a permanent advance is running low, and in any case on the last working day of each month, relevant columns on the expenditure side of the permanent advance account shall be totalled, the totals posted into a contingent bill in the prescribed form, a line drawn right across both sides of the account and the bill supported by the relevant sub-vouchers laid before the officer holding the advance, who after comparing the entries in the bill with the account shall place initials against each entry in the appropriate column of the account and sign the bill: the bill shall then be sent to the Council's accounts office for payment, the number of the bill, the date of its despatch and the amount having been entered in the appropriate columns on the income side of the account; on receipt of a cheque in payment of the bill the necessary entries shall be made in the appropriate columns on the income side of the account.

74. Custody of cheque books.—(1) Cheque books shall be kept under lock and key in the personal custody of the Chief Executive Officer.

(2) All cheques shall be signed by the Chief Executive Officer and one member of the Council nominated for the purpose by the Chairman.

75. Establishment cheque register.—In order to facilitate the check of establishment bills and to ensure that no charge is paid twice, an establishment check register and an absentee statement shall be maintained in the prescribed forms.

76. Payment of salaries.—(1) Except in the case of officers and other employees who have been dismissed or transferred or have resigned or died the pay of all officers and employees of the Council

shall be drawn before the first working day of the month following that in respect of which the pay has been earned.

(2) The salary of the Chief Executive Officer and other principal officers in charge of engineering, health services and education shall be paid by means of bills in the prescribed form.

(3) The pay of all other establishment shall be paid by means of bills in the prescribed form, a separate bill being prepared for each department in which each section or sub-section of the department shall be shown separately.

77. Miscellaneous payments.—Payment of charges other than charges for the payment of which special forms of bill have been prescribed elsewhere by these rules shall be effected by means of bills in the prescribed form, a payment order having first been made by the authorised officer on the sub-voucher concerned by means of a rubber stamp in the prescribed form.

78. Travelling allowances.—Officers and other employees of the Council may be paid travelling allowances at rates which may be admissible to Government officers and employees drawing similar salaries.

79. Account books.—Figures in all the accounts of a Council shall be in English characters. All books of accounts and registers shall be substantially bound and paged before being brought into use and a page certificate shall be recorded over the signature of Chief Executive Officer. No accounts shall be prepared on loose sheets of paper or in loosely bound volumes.

80. Corrections to be attested.—All corrections and alterations in accounts shall be neatly made in red ink and attested by the Chief Executive Officer. All corrections and alterations in a voucher shall be attested by the payee. Erasures shall on no account be permitted in registers, statements, vouchers or accounts of any description.

81. Provident fund.—For purposes of the provident fund, the Council shall maintain the following accounts and books in the prescribed forms:—

- (a) a Provident Fund Ledger,
- (b) a Provident Fund Liabilities Account,
- (c) a Provident Fund Account,
- (d) a Provident Fund Investments Account, and
- (e) a Provident Fund Investments Interest Account.

82. Deposits.—The Council shall maintain the following registers in the prescribed forms:—

- (1) register of deposits,
- (2) register of investment,
- (3) register of loan,
- (4) register of stamps,
- (5) stock register,

- (6) register of movable property,
- (7) register of suits,
- (8) register of tenders,
- (9) register of public works, and
- (10) contractor's ledger.

83. Examination of registers.—The Chief Executive Officer or an officer authorised by him in this behalf shall from time to time examine the different registers maintained by the employees of the Council and shall record a certificate at the end of each quarter that he has done so.

84. Verification of property.—The whole of the property of the Council, movable and immovable, including investments shall be verified at least once in three years by a member or members of the Council:

Provided that the same member or members shall not be appointed for the purpose on two consecutive occasions.

85. Write off.—(1) Irrecoverable dues or losses upto rupees ten in each case may be written off by the Chief Executive Officer.

(2) Where such amount exceeds rupees ten but does not exceed rupees two hundred the amount may be written off with the sanction of the Council and where it exceeds rupees two hundred with the sanction of the Administrator.

86. Minimum balance.—Except with the previous sanction of the Administrator, the actual cash balance of the Council Fund excluding investments, the unspent balance of loans, grants of all kinds and receipts from the sale of land and buildings shall not be permitted at any time to fall below an amount equal to ten per cent. of the Council's income of the previous financial year excluding sale on maturity of investments, the amounts in suspense accounts and loans and grants of all kinds and receipts from the sale of land and buildings:

Provided that the actual cost price of such Post Office Cash Certificates held by the Council and such sums placed by the Council on fixed deposit with any bank as are not earmarked for specific purposes may be reckoned as forming part of the actual cash balance:

Provided further that such balance shall at no time be less than ten thousand rupees.

Explanation:—The term "grants of all kinds" used in this rule shall not include payments made to the Council under section 36 of the Act.

87. Audit of accounts.—The accounts of the Council shall be audited in accordance with the direction given by the Central Government under section 51 of the Act.

88. Weeding out of record.—Vouchers, registers and other prescribed forms shall not be weeded or destroyed otherwise than in accordance with the directions issued by the Council with the approval of the Administrator.

89. Enquiry into embezzlement.—(1) Whenever an embezzlement of moneys or property of the Council is discovered, an enquiry shall at once be instituted by the Chairman, and the fact of the embezzlement shall immediately be reported by him direct to the Administrator, who may, if he thinks fit, investigate the matter.

(2) Whenever in any circumstances an irregularity likely to be connected with an embezzlement or the fraudulent loss of money or property is discovered, a report shall at once be sent to the Administrator.

90. General instructions of Administrator.—In the matter of details connected with accounts not provided for in these rules, the Council shall comply with the instructions of the Administrator.

PART VIII—PUBLIC WORKS

91. No work to be executed without proper sanction.—No work shall be executed by the Council until detailed estimate of its cost has been prepared in the prescribed form together with the necessary plans, and has been sanctioned by the Council.

92. Schedule of rates.—The Council shall from time to time at intervals of not more than one year sanction a schedule of rates for works of the Council and every estimate shall be framed according to those rates:

Provided that the Council may adopt the schedule of rates of the Central Public Works Department instead of framing such a schedule itself.

93. Tenders.—No work exceeding rupees five hundred in value shall be allotted except on the basis of tenders.

94. Administrative approval for works.—(1) No original work shall be undertaken by the Council until administrative approval has been accorded to the work by a formal resolution of the Council.

(2) The Council shall not accord administrative approval to any work unless estimates and plans have been submitted to it.

(3) Before according such administrative approval to any work, the Council shall satisfy itself that,—

- (a) funds for the execution of the work are available, and
- (b) funds are likely to be forthcoming annually for maintenance after completion of work.

95. Administrator's sanction for major works.—No original work shall be undertaken by the Council if it involves an expenditure of Rs. 30,000 or more, without the administrative approval of the Administrator.

96. Revised administrative approval.—If the detailed estimates of any project when prepared, exceed the amount administratively approved by 10 per cent. or more, or if it becomes apparent during the execution of any work that the amount administratively approved will be exceeded by 10 per cent. or more owing to increase of rates or other causes, the revised administrative approval of the competent

authority to the increased expenditure shall be obtained without delay. Similarly, revised administrative approval shall be obtained to important modifications of the proposal originally approved, even though the cost thereof may be covered by savings on other items.

97. Applications of C.P.W.D. Codes etc.—For all other purposes, not provided for in the Act or these rules, the provisions of all the codes, rules and regulations, which are applicable for a work undertaken by the Central Public Works Department shall be applicable in the case of a work undertaken by the Council.

PART IX—CONTROL OF PANCHAYATS

98. Extent & nature of control of panchayats.—The extent and the nature of superintendence and control of the Council over the panchayats shall be as follows:—

- (1) The Council may ask for any information from a panchayat, other than a judicial panchayat, which it may consider necessary.
- (2) The Council may obtain a copy of the statement showing the receipt and expenditure of a panchayat in order to ascertain its financial position.
- (3) The Council shall not be competent to give any direction to a panchayat discharging any judicial or quasi-judicial function.
- (4) The Council may ask a panchayat to undertake any function which is a discretionary function of the panchayat, and to carry out any work or to maintain any institution falling within the purview of a panchayat, if the Council makes the necessary grant to meet the expenditure involved.

PART X—REPRESENTATION OF COUNCIL IN CIVIL SUITS

99. Civil Suits.—The Chief Executive Officer shall be responsible for the proper representation of the Council in all civil suits, appeals and proceedings instituted by or against the Council and may for this purpose appoint under his signature and for such fee as he may consider reasonable, legal practitioners to act for the Council.

PART XI—MISCELLANEOUS

100. Office days.—The office of the Council shall be open on all days except public holidays and the office hours shall be those observed in the office of the Administrator or as may be fixed from time to time by a resolution of the Council.

101. Effect of public holidays.—Whenever in these rules any act or proceeding is directed or allowed to be done or taken on a certain day, then, if the office is closed on that day, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day on which the office is open.

102. Inspection of papers by members.—On all office days any member of the Council may call for and inspect in the office any papers connected with the Council business on the agenda of the Council, the Finance Committee or any standing committee except

any particular file on which the Chairman may have passed orders to a contrary effect.

103. Publication of notices.—(1) In every case in which a notice is required to be published in exercise of a power conferred, or in discharge of an obligation imposed, by the Act or by any rule or bye-law made thereunder, it shall be sufficient if the notice is published:

- (i) by beat of drum, and
- (ii) by exhibiting a copy thereof at some conspicuous spot accessible to the public at the place of meeting of the Council.

(2) The provisions of sub-rule (1) shall also apply to the publication of bye-laws under section 55 of the Act:

Provided that it shall suffice if the advertisement (if any) published in the press specifies the scope of the bye-laws or rules and the place at which the full text thereof has been exhibited.

104. Service books.—Service books shall be maintained for all permanent employees of the Council; the books shall be obtained at the cost of the employees from the treasury and shall be maintained in accordance with the rules contained in the Government of India Supplementary Rules.

105. Alteration of date of birth.—No alteration in the entry relating to the date of birth of an employee of the Council in his service book shall be made unless a resolution has been passed by the Council permitting the alteration.

106. Character rolls.—Character rolls shall be maintained for all permanent employees in superior service of the Council as defined in article 396 of the Civil Service Regulations.

107. Furnishing of security.—(1) Every employee of the Council unless exempted by a resolution of the Council shall, if entrusted with the receipt, disbursement or custody of money or property of the Council be required to furnish security to an amount to be fixed in each case by the Council.

(2) Such security may be cash, Government paper or other stocks or a bond hypothecating property, and in each case a security bond in the prescribed form shall be executed on the proper stamp, provided that a personal security with two sureties may be accepted.

(3) Securities shall be examined and verified by the first day of April each year, and a certificate to the effect that this has been done shall be signed by the Chief Executive Officer against each item in the "Remarks" column of the register of deposits in which details with regard to such securities are to be recorded.

108. Office Order-book.—An Office Order-book shall be maintained by the Chief Executive Officer in which shall be noted all appointments, promotions, leave, suspensions and office arrangements and other orders generally.

109. Sanction of expenditure in anticipation of sanction of Council.—In anticipation of sanction of the Council the Chairman shall have the power to sanction expenditure if provided for in the budget to the extent of rupees five thousand in any one case.

110. Administration report.—(1) The Chief Executive Officer shall, as soon as may be, after each first day of April, have prepared a detailed report of the administration of the Council during the previous year.

(2) After an examination and review of the report by the Council a copy of the report with a copy of the Council's review shall be forwarded to each member of the Council and the Administrator.

[No. 26/12/57-SR(R).]

HARI SHARMA, Jt. Secy.